

LINDA LINGLE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
AIRPORTS DIVISION  
400 Rodgers Boulevard, Suite 700  
Honolulu, Hawaii 96819-1880

BRENNON T. MORIOKA  
DIRECTOR

Deputy Directors  
MICHAEL D. FORMBY  
FRANCIS PAUL KEENO  
BRIAN H. SEKIGUCHI  
JIRO A. SUMADA

IN REPLY REFER TO:

AIR-PM  
08.0767

November 28, 2008

TO: (1) DIR (BRENNON T. MORIOKA)  
(2) DLNR (LAURA H. THIELEN) C/O ADALINE CUMMINGS  
(3) AIR-PM (ROSS SMITH)

FROM: *Brian H. Sekiguchi*  
for DEP-A (BRIAN H. SEKIGUCHI)

SUBJECT: LAND BOARD SUBMITTAL  
ISSUANCE OF A DIRECT LEASE  
SMOKY MOUNTAIN HELICOPTERS, INC.  
PORT ALLEN AIRPORT

Attached is the subject submittal for your approval. Please have item placed on the next Land Board agenda.

If there are any questions, please call Ethan Tomokiyo at 838-8673.

Attachment

LINDA LINGLE  
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DIRECTOR

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BRIAN H. SEKIGUCHI  
JIRO A. SUMADA

IN REPLY REFER TO:

STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

ISSUANCE OF A DIRECT LEASE  
SMOKY MOUNTAIN HELICOPTERS, INC.  
PORT ALLEN AIRPORT

KAUAI

REQUEST:

Issuance of a direct lease to Smoky Mountain Helicopters, Inc. to lease improved land to construct, operate, and maintain helicopter operations at Port Allen Airport.

APPLICANT:

Smoky Mountain Helicopters, Inc. whose business and post office address is  
P. O. Box 156, Hanapepe, Hawaii, 96716.

LEGAL REFERENCE:

Subsection 171-59(b), Hawaii Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Portion of Port Allen Airport, Hanapepe, Island of Kauai, Hawaii, identified by Tax Map Key 4<sup>th</sup>  
Division, 1-8-08: Portion of 4, as shown delineated on the attached map labeled Exhibit A.

AREAS:

Space Nos. PAK 001-102, -111, -112 and -113, containing land areas of approximately 3,934,  
25,600, 16,000 and 9,107 square feet, respectively, of improved, unpaved land, as shown and  
delineated on the attached map labeled Exhibit B.

ZONING:

State Land Use District: Urban  
County of Kauai: Open

BLNR – Issuance of a  
Direct Lease to  
Smoky Mountain Helicopters, Inc.

LAND TITLE STATUS:

Section 5(b), Hawaii Admission Act: Ceded  
DHHL 30% entitlement land pursuant to the Hawaii State Constitution: YES ☐ NO ☒

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 931, setting aside Port Allen Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport Purposes.

CHARACTER OF USE:

Aeronautical purposes.

TERM OF LEASE:

Twenty-five (25) years.

LEASE COMMENCEMENT DATE:

Upon execution of lease document.

ANNUAL GROUND LEASE RENTAL:

|                     |             |
|---------------------|-------------|
| Lease years 1-5:    | \$14,206.80 |
| Lease years 6-10:   | \$16,338.00 |
| Lease years: 11-15: | \$18,789.00 |

REOPENING OF ANNUAL GROUND LEASE RENTAL:

The annual lease rental for each of the two remaining five (5)-year lease periods, totaling ten (10) years, shall be determined at least six (6) months prior to the time of reopening by an independent appraiser whose services shall be contracted for and paid by the State.

PERFORMANCE BOND:

The sum equal to the annual land rental in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

The applicant shall, within twelve (12) months of the date of commencement of the lease, invest the sum of not less than Four Hundred Thousand and No/100 Dollars (\$400,000.00) of leasehold improvements.

BLNR – Issuance of a  
Direct Lease to  
Smoky Mountain Helicopters, Inc.

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site.

Improvements: The applicant desires to develop, construct, operate, and maintain a helicopter operation.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The Applicant will be responsible for any environmental assessments and Special Management Area requirements prior to the construction of any improvements.

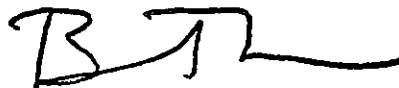
REMARKS:

In accordance with Section 171-59(b), HRS, relating to Management and Disposition of Public Lands and specifically to Disposition by negotiation, the Director of Transportation proposes to issue a direct lease to the applicant for aeronautical purposes.

RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a helicopter operations lease to Smoky Mountain Helicopters, Inc., subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,



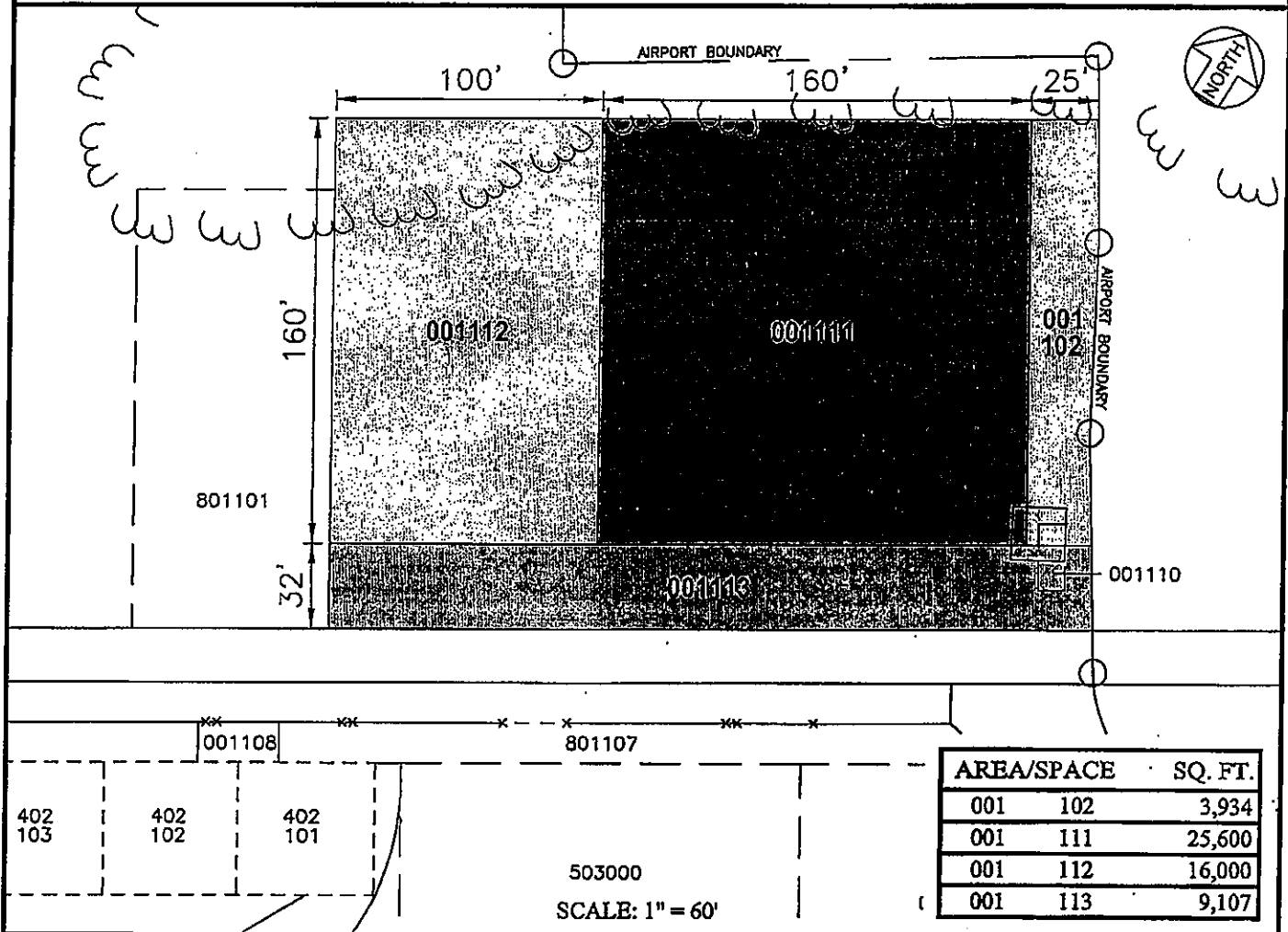
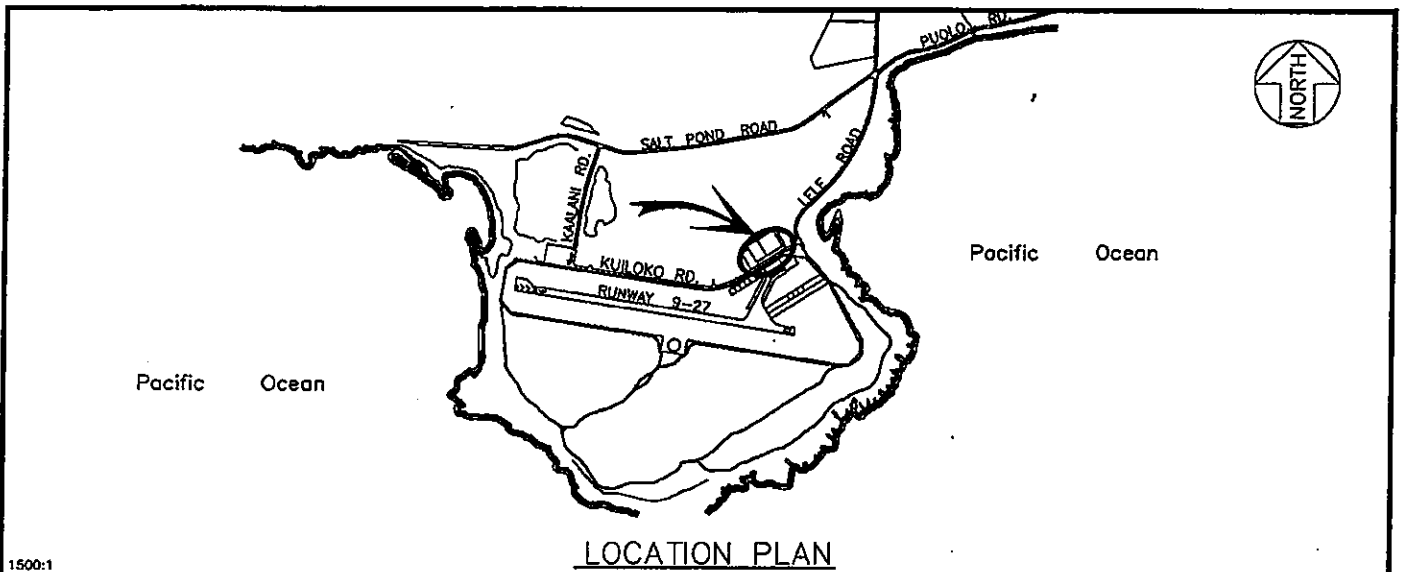
BRENNON T. MORIOKA, Ph.d., P.E.  
Director of Transportation

APPROVED FOR SUBMITTAL:

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LAURA H. THIELEN  
Chairperson and Member





Lease No. DOT-A-08-0019

DATE : AUGUST 2008

EXHIBIT: B



Airports Division

SMOKY MOUNTAIN.  
HELICOPTERS, INC.

LOTS

001102  
001111-113

PLATS A1, 32

PORT ALLEN AIRPORT

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